

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO et  
al.,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

ORDER CONCERNING SUPPLEMENTATION OF THE FOUR HUNDRED  
FIFTH OMNIBUS OBJECTION (NON-SUBSTANTIVE) OF THE  
COMMONWEALTH OF PUERTO RICO TO CROSS-DEBTOR DUPLICATE CLAIMS

The Court has received and reviewed the *Four Hundred Fifth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico to Cross-Debtor Duplicate Claims* (Docket Entry No. 19554 in Case No. 17-3283) (the “405th Omnibus Objection”) and the *Notice of Presentment of Proposed Order Granting the Four Hundred Fifth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico to Cross-Debtor Duplicate Claims* (Docket Entry No. 20881 in Case No. 17-3283) (the “Notice of Presentment”), each of which was filed by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”).

The 405th Omnibus Objection requests entry of an order, among other things, disallowing certain proofs of claim asserted against the Commonwealth<sup>2</sup> on the basis that “the asserted liability, if any, for the Claims to Be Disallowed is properly asserted against ERS . . . .”

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> Capitalized terms used but not defined herein have the meaning given to them in the 405th Omnibus Objection.

(405th Omnibus Objection ¶ 13.) However, the Oversight Board has previously taken the position that Act 106-2017 (“Act 106”) transferred certain of ERS’s employment-related liabilities to the Commonwealth, and that the Commonwealth, rather than ERS, was the relevant Debtor. (See, e.g., *Three Hundred Sixty-Seventh Omnibus Objection (Non-Substantive) of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Employment-Related Claims Asserted Against the Incorrect Debtor* ¶ 21-24 (asserting that “claims against the Commonwealth or its component agencies for salaries or wage benefits,” “class action wages and benefits claims,” “disability pension claims based on litigation,” and “pension benefits claims” all “may provide such claimholders an allowed claim against the Commonwealth, but not ERS”).) Certain of the proofs of claim listed on Exhibit A to the 405th Omnibus Objection appear to assert claims against Commonwealth agencies or claims based upon pension or wage liabilities that the Oversight Board has argued were assumed by the Commonwealth. (See, e.g., Proof of Claim No. 155526 (asserting claim for unpaid wages against the Department of Housing); Proof of Claim No. 66011 (asserting claim arising from claimant’s retroactive salary adjustment and accrued retirement balance).)

Accordingly, the Oversight Board is hereby directed to file a supplemental memorandum by **January 25, 2023, at 5:00 p.m. (Atlantic Standard Time)** addressing the basis for disallowance of the Claims to Be Disallowed in favor of the Remaining Claims against ERS.

SO ORDERED.

Dated: January 11, 2023

/s/ Laura Taylor Swain  
LAURA TAYLOR SWAIN  
United States District Judge